

October 7, 2025

Mr. Ritchie Murray Acting Registrar Ontario Energy Board 2300 Yonge Street, 27th Floor Toronto, ON M4P 1E4

Dear Mr. Murray:

Re: Enbridge Gas Inc.

Application for Approval of Franchise Agreement

Municipality of Chatham-Kent

Ontario Energy Board File No. EB-2025-0218

Further to the question submitted by Ontario Energy Board Staff related to the timing of initiating franchise agreement discussions with the Municipality of Chatham-Kent, Enbridge Gas provides the following response.

Staff Question-1

Reference: EB-2025-0218, Application and Evidence, page 2, para 6

Preamble:

Section 4.c of the 2000 Model Franchise Agreement provides as follows:

At any time within two years prior to the expiration of this Agreement, either party may give notice to the other that it desires to enter into negotiations for a renewed agreement upon such terms and conditions as may be agreed upon. Until such renewal has been settled, the terms and conditions of this Agreement shall continue, notwithstanding the expiration of this Agreement.

Enbridge Gas stated that it applied to the Council of the Municipality of Chatham-Kent for the renewal of a franchise agreement on October 4, 2024, but the supporting evidence confirming the contact is not provided in the application.

Ouestion:

a) Please provide any supporting evidence confirming contact with the Municipality of Chatham-Kent prior to the expiry of Enbridge Gas's existing franchise agreement, which is September 6, 2025 (e.g. email correspondence).

Response:

a) Please see Attachment 1 for a copy of the email forwarded to the Municipality of Chatham-Kent on October 4, 2024 to initiate discussions regarding the renewal of the franchise agreement. This email was sent over 11 months in advance of the September 6, 2025 expiry of the current franchise agreement between the Municipality of Chatham-Kent and the former Union Gas Limited.

This supporting evidence was not included in the original application submitted July 16, 2025 because the application already included evidence that Enbridge Gas contacted the Municipality of Chatham-Kent prior to the September 6, 2025 expiry of the existing franchise agreement. The municipal resolution and draft bylaw submitted in the application at Schedules D and E indicate that the municipality had formally addressed the franchise agreement renewal in June 2025 at the urging of Enbridge Gas, well in advance of the expiry of the current franchise agreement.

Should you have any questions on this submission, please do not hesitate to contact me.

Yours truly,

Patrick McMahon Technical Manager Regulatory Research and Records <u>patrick.mcmahon@enbridge.com</u> (519) 436-5325

Response to OEB Staff Question Attachment 1 October 7, 2025

RP-2005-0016 - EB-2005-0312 - Certificate - Municipality of Chatham-Kent (August 23, 2005).pdf

2024 10 01 - Updated Guidelines to Municipalities.docx

Bylaw and Franchise Agreement - Municipality of Chatham-Kent (September 6, 2005).pdf

Attachments: Draft Bylaw - Municipality of Chatham-Kent.docx

Draft Resolution - Municipality of Chatham-Kent.docx

Gas Franchise Handbook (May 2002).pdf

MA3758 - Municipality of Chatham-Kent Customer Density map.pdf

Model Franchise Agreement - Municipality of Chatham-Kent (Lower-Tier EGI South).pdf

From: Andrea Seguin < Andrea. Seguin@enbridge.com>

Sent: Friday, October 4, 2024 3:11 PM

To: michael.duben@chatham-kent.ca; edward.soldo@chatham-kent.ca

Cc: reneeha@chatham-kent.ca; Spencer Pray <spencer.pray@enbridge.com>; Somer Antonopoulos

<somer.antonopoulos@enbridge.com>

Subject: Franchise Agreement Renewal - Municipality of Chatham-Kent

Hi Michael,

On September 6, 2025, the current franchise agreement between the Municipality of Chatham-Kent and the former Union Gas Limited will expire. Based on the most recent customer count report, we currently provide service to approximately 40,900 customers within the Municipality of Chatham-Kent. Enbridge Gas and its predecessors have been providing access to gas distribution services within the Municipality of Chatham-Kent since approximately 1872.

Provincial legislation requires a franchise agreement between the municipal corporation and the gas company serving that municipality. The Ontario Energy Board has directed that the current 2000 Model Franchise Agreement be used as the model for such agreements.

As a result, Enbridge Gas and the Municipality of Chatham-Kent need to commence the process to renew a 20-year franchise agreement using the approved model.

To assist you in this matter, I am enclosing the following documents for discussions with the Municipality of Chatham-Kent:

- 1. Franchise Agreement Renewal Documents:
 - Guidelines to Municipalities Respecting the Renewal of Franchise Agreements

- Draft Resolution of the municipality
- Draft By-Law of the municipality
- 2000 Model Franchise Agreement with Enbridge Gas Inc.

2. Historical Background:

- a copy of the current By-Law No. 199-2005 (passed on September 6, 2005) and the current Franchise Agreement effective September 6, 2005
- a copy of the Certificate of Public Convenience and Necessity that Enbridge Gas holds for the Municipality of Chatham-Kent (RP-2005-0016 / EB-2004-0312)

3. Reference Documents:

- a copy of the Gas Franchise Handbook (an explanatory supplement to the 2000 Model Franchise Agreement)
- customer density map for areas served within the Municipality of Chatham-Kent

This entire process to get a franchise agreement approved by the Ontario Energy Board can be quite lengthy and may take up to eight months.

Please review the *Guidelines to Municipalities Respecting the Renewal of Franchise Agreements* with the Municipality of Chatham-Kent and arrange to have a Resolution passed by Council in a timely manner so that the regulatory approval process can commence.

It will be important to ensure that the municipality has 4 original copies of the franchise agreement and by-law signed off at the end of this process.

As part of the renewal process, we strongly encourage meeting with our municipal partners. A meeting serves as an opportunity to ask questions and set expectations as it relates to the franchise agreement renewal process. Enbridge Gas is here to help the Municipality of Chatham-Kent throughout the entirety of this process. Spencer Pray with our Municipal Affairs team will be your liaison.

We value our continued partnership with the Municipality of Chatham-Kent and look forward to hearing from you on your availability to meet and discuss the franchise renewal process.

Sincerely,

Andrea Seguin

Director, Southwest Region Operations

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